



**OFFICE OF THE SECRETARY OF STATE
TWO YEARS ENDED JUNE 30, 2002**

**From The Office Of State Auditor
Claire McCaskill**

**Report No. 2003-09
January 27, 2003
www.auditor.state.mo.us**

AUDIT REPORT



Office Of The
State Auditor Of Missouri
Claire McCaskill

January 2003

The following findings were noted as a result of an audit conducted by our office of the Office of Secretary of State.

The Office of Secretary of State does not adequately monitor expenditures made by subrecipients of the Institute of Museum and Library Services (IMLS) grants. The State Library (library) expended approximately \$5.5 million from the IMLS grants during the two years ended June 30, 2002. Although the grant agreement provides for expenditure documentation to be retained and provided to the library upon request, the library does not routinely require subrecipients to provide expenditure documentation, and therefore rarely reviews and evaluates expenditure documentation from subrecipients. As a result, the library has little assurance that federal monies are spent in accordance with federal requirements. In addition, the Office of Secretary of State did not always prepare and submit reports to the federal agencies in compliance with grant requirements.

The Corporations Section has not established adequate procedures to ensure the number of filings processed each day are properly reported and accounted for and that fees are remitted to the proper fund. During our review of transmittal sheets submitted on 40 different days, we noted 11 (28 percent) days where the aggregate filings and/or transmittal sheets were not correct due to mathematical errors. The Corporations Section should establish procedures to independently verify the number of daily filings processed and reported on the transmittal sheets and the aggregate total fees for the day.

The Office of Secretary of State did not prepare and submit an internal control plan to the Office of Administration (OA) by July 2001. These plans were requested following the implementation of the state's new accounting and financial reporting system. Originally, internal control plans were to be submitted to the OA by October 1999; however, the Office of Secretary of State was granted an extension to July 2001. According to management personnel, the internal control plan is currently in the preliminary draft stage. They indicated that the final plan cannot be developed until written internal control procedures have been established for the various divisions within the office; however, these written procedures are still in the process of being established. The failure to complete an internal control plan contributed to control weaknesses in various divisions.

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YELLOW SHEET

OFFICE OF SECRETARY OF STATE

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FINANCIAL SECTION

State Auditor's Reports



CLAIRE C. McCASKILL
Missouri State Auditor

**INDEPENDENT AUDITOR'S REPORT ON
THE FINANCIAL STATEMENTS**

Honorable Matt Blunt, Secretary of State
Jefferson City, MO 65102

We have audited the accompanying special-purpose financial statements of the various funds of the Office of Secretary of State as of and for the years ended June 30, 2002 and 2001, as identified in the table of contents. These special-purpose financial statements are the responsibility of the office's management. Our responsibility is to express an opinion on these special-purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the special-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the special-purpose financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying special-purpose financial statements were prepared for the purpose of presenting the receipts, disbursements, and changes in cash and investments of the Records Fund-Federal, National Endowment for the Humanities Save America's Treasures Grant Fund, General Revenue Fund-Federal, Technology Trust Fund, Local Records Preservation Fund, Library Networking Fund, Investor Education Fund, State Document Preservation Fund, Wolfner State Library Fund, and the Institution Gift Trust Fund; the receipts of the General Revenue Fund-State; and the appropriations and expenditures of the various funds of the Office of Secretary of State and are not intended to be a complete presentation of the financial position and results of operations of the various funds of the office.

In our opinion, the special-purpose financial statements referred to in the first paragraph present fairly, in all material respects, the receipts, disbursements, and changes in cash and investments of the Records Fund-Federal, National Endowment for the Humanities Save America's Treasures Grant Fund, General Revenue Fund-Federal, Technology Trust Fund, Local Records Preservation Fund, Library Networking Fund, Investor Education Fund, State Document Preservation Fund, Wolfner State Library Fund, and the Institution Gift Trust Fund; the receipts of the General Revenue Fund-State; and the appropriations and expenditures of the various funds of the Office of Secretary of State as of and for the years ended June 30, 2002 and 2001, in conformity with the comprehensive bases of accounting discussed in Note 1, which are bases of accounting other than accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we also have issued our report dated September 6, 2002, on our consideration of the office's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the special-purpose financial statements, taken as a whole, that are referred to in the first paragraph. The accompanying financial information listed as supplementary data in the table of contents is presented for purposes of additional analysis and is not a required part of the special-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the special-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the special-purpose financial statements taken as a whole.

The accompanying History, Organization, and Statistical Information is presented for informational purposes. This information was obtained from the office's management and was not subjected to the auditing procedures applied in the audit of the special-purpose financial statements referred to above.

An integral part of the office's funding comes from federal awards. Those federal awards are reported on in the State of Missouri Single Audit Report issued by the State Auditor's office. The single audit is conducted in accordance with the provisions of U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

A handwritten signature in black ink, reading "Claire McCaskill". The signature is fluid and cursive, with the first name "Claire" and last name "McCaskill" clearly distinguishable.

Claire McCaskill
State Auditor

September 6, 2002 (fieldwork completion date)

The following auditors participated in the preparation of this report:

Director of Audits:	Kenneth W. Kuster, CPA
Audit Manager:	Toni M. Crabtree, CPA
In-Charge Auditor:	Charles R. Van Loo, CPA
Audit Staff:	Terese Summers, CPA
	Keriann E. Wright
	Gary A. Raines



CLAIRE C. McCASKILL
Missouri State Auditor

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING**

Honorable Matt Blunt, Secretary of State
Jefferson City, MO 65102

We have audited the special-purpose financial statements of the Secretary of State as of and for the years ended June 30, 2002 and 2001, and have issued our report thereon dated September 6, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the special-purpose financial statements of the Office of Secretary of State are free of material misstatement, we performed tests of the office's compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance which are described in the accompanying Management Advisory Report.

Internal Control Over Financial Reporting

In planning and performing our audit of the special-purpose financial statements of the Office of Secretary of State, we considered the office's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the special-purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to

the special-purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted another matter involving the internal control over financial reporting which is described in the accompanying Management Advisory Report.

This report is intended for the information and use of the management of the Office of Secretary of State and other applicable government officials. However, pursuant to Section 29.270, RSMo 2000, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink, reading "Claire McCaskill". The signature is fluid and cursive, with the first name "Claire" written in a larger, more prominent script than the last name "McCaskill".

Claire McCaskill
State Auditor

September 6, 2002 (fieldwork completion date)

Financial Statements

Exhibit A-1

OFFICE OF SECRETARY OF STATE
 COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH AND INVESTMENTS
 YEAR ENDED JUNE 30, 2002

	Records Fund - Federal	National Endowment for the Humanities Save America's Treasures Grant Fund	General Revenue Fund-Federal	Technology Trust Fund	Local Records Preservation Fund	Library Networking Fund	Investor Education Fund	State Document Preservation Fund	Wolfner State Library Fund	Institution Gift Trust Fund	Total (Memorandum Only)
RECEIPTS											
Federal grants	\$ 145,185	73,742	2,710,116	0	0	0	0	0	0	0	2,929,043
Fees	0	0	0	2,285,240	1,763,576	0	0	0	0	0	4,048,816
Taxes	0	0	0	0	0	431,569	0	0	0	0	431,569
Investment income	0	0	0	124,363	0	7,661	0	1,356	7,849	7,681	148,910
Donations	0	0	0	0	0	2,180	0	9,476	2,917	0	14,573
Consent orders	0	0	0	0	0	0	152,250	0	0	0	152,250
Refunds	0	0	0	0	24,638	0	0	0	0	0	24,638
Miscellaneous	0	0	4,051	3,308	10	0	2,220	0	0	0	9,589
Total Receipts	145,185	73,742	2,714,167	2,412,911	1,788,224	441,410	154,470	10,832	10,766	7,681	7,759,388
DISBURSEMENTS											
Personal service	0	0	402,444	72,588	861,879	0	0	20,897	0	102,229	1,460,037
Employee fringe benefits	0	0	137,916	23,037	293,988	0	0	6,802	0	36,975	498,718
Expense and equipment	0	0	106,797	2,236,155	354,058	0	0	0	0	109,925	2,806,935
Public assistance grants	145,185	73,742	2,038,957	0	0	0	0	0	0	0	2,257,884
Library networking	0	0	0	0	0	378,649	0	0	0	0	378,649
Local Records Grant Program	0	0	0	0	316,404	0	0	0	0	0	316,404
Total Disbursements	145,185	73,742	2,686,114	2,331,780	1,826,329	378,649	0	27,699	0	249,129	7,718,627
RECEIPTS OVER (UNDER)											
DISBURSEMENTS BEFORE OTHER											
FINANCING SOURCES AND USES	0	0	28,053	81,131	(38,105)	62,761	154,470	(16,867)	10,766	(241,448)	40,761
OTHER FINANCING SOURCES (USES)											
Operating transfers out	0	0	(82,777)	(32,146)	(127,174)	(3,315)	(211)	(49)	(3,447)	(19,579)	(268,698)
CASH AND INVESTMENTS, JULY 1	0	0	85,389	3,294,151	1,141,354	15,104	232,932	50,684	204,201	261,357	5,285,172
CASH AND INVESTMENTS, JUNE 30	0	0	30,665	3,343,136	976,075	74,550	387,191	33,768	211,520	330	5,057,235

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit A-2

OFFICE OF SECRETARY OF STATE
COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH AND INVESTMENTS
YEAR ENDED JUNE 30, 2001

	General Revenue Fund-Federal	Technology Trust Fund	Local Records Preservation Fund	Library Networking Fund	Investor Education Fund	State Document Preservation Fund	Wolfner State Library Fund	Institution Gift Trust Fund	Total (Memorandum Only)
RECEIPTS									
Federal grants	\$ 2,795,911	0	0	0	0	0	0	0	2,795,911
Fees	0	2,152,332	1,422,678	0	0	0	0	0	3,575,010
Taxes	0	0	0	865,677	0	0	0	0	865,677
Investment income	0	202,991	0	38,340	0	2,618	15,742	25,035	284,726
Gain on sale of investments	0	0	0	0	0	0	98,443	0	98,443
Donations	0	0	0	0	0	5,223	34,895	0	40,118
Consent orders	0	0	0	0	30,830	0	0	0	30,830
Refunds	0	0	31,806	0	0	0	0	0	31,806
Miscellaneous	19,103	3,520	0	0	2,520	0	0	120	25,263
Total Receipts	2,815,014	2,358,843	1,454,484	904,017	33,350	7,841	149,080	25,155	7,747,784
DISBURSEMENTS									
Personal service	348,800	8,830	792,556	0	0	0	0	107,690	1,257,876
Employee fringe benefits	116,673	2,426	250,029	0	0	0	0	36,749	405,877
Expense and equipment	153,494	2,160,645	331,792	0	0	0	9,809	88,688	2,744,428
Public assistance grants	2,169,447	0	0	0	0	0	0	0	2,169,447
Library networking	0	0	0	933,275	0	0	0	0	933,275
Local Records Grant Program	0	0	372,446	0	0	0	0	0	372,446
Trust service charges	0	0	0	0	0	0	5,221	0	5,221
Total Disbursements	2,788,414	2,171,901	1,746,823	933,275	0	0	15,030	233,127	7,888,570
RECEIPTS OVER (UNDER)									
DISBURSEMENTS BEFORE OTHER									
FINANCING SOURCES AND USES	26,600	186,942	(292,339)	(29,258)	33,350	7,841	134,050	(207,972)	(140,786)
OTHER FINANCING SOURCES (USES)									
Operating transfers out	0	(42,716)	(119,271)	0	(1,404)	(167)	(728,615)	(22,735)	(914,908)
CASH AND INVESTMENTS, JULY 1	58,789	3,149,925	1,552,964	44,362	200,986	43,010	798,766	492,064	6,340,866
CASH AND INVESTMENTS, JUNE 30	\$ 85,389	3,294,151	1,141,354	15,104	232,932	50,684	204,201	261,357	5,285,172

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit B

OFFICE OF SECRETARY OF STATE
COMPARATIVE STATEMENT OF RECEIPTS
GENERAL REVENUE FUND-STATE

	Year Ended June 30,	
	2002	2001
Corporations	\$ 9,813,350	10,021,506
Securities	11,321,354	12,119,828
Uniform commercial code	1,201,476	779,579
Commissions	371,538	390,410
Administrative rules	38,500	41,649
Archives	45,677	76,503
Missouri state library	11,496	1,638
Miscellaneous	7,413	19,053
Total	\$ 22,810,804	23,450,166

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit C

OFFICE OF SECRETARY OF STATE
COMPARATIVE STATEMENT OF APPROPRIATIONS AND EXPENDITURES

	Year Ended June 30,					
	2002			2001		
	Appropriation	Expenditures	Lapsed Balances **	Appropriation	Expenditures	Lapsed Balances
RECORDS FUND - FEDERAL						
Missouri Historical Records Advisory Board Program	\$ 300,000	145,185	154,815	300,000	0	300,000
Save America's Treasures	1	0	1	200,000	0	200,000
Total Records Fund - Federal	300,001	145,185	154,816	500,000	0	500,000
NATIONAL ENDOWMENT FOR THE HUMANITIES						
SAVE AMERICA'S TREASURES GRANT FUND						
Document Preservation Grant	174,999	73,742	101,257	0	0	0
Total National Endowment for the Humanities Save America's Treasures Grant Fund	174,999	73,742	101,257	0	0	0
GENERAL REVENUE FUND - FEDERAL						
Personal Service	504,057	402,444	101,613	500,718	345,302	155,416
Expense and Equipment	227,574	106,797	120,777	227,574	122,195	105,379
Allotments, grants and contributions from the Federal Government or from any sources may be deposited in the State Treasury for the use of the Missouri State Library	5,889,282	2,038,957	3,850,325	5,666,760	1,955,952	3,710,808
Total General Revenue Fund - Federal	6,620,913	2,548,198	4,072,715	6,395,052	2,423,449	3,971,603
TECHNOLOGY TRUST FUND						
Personal Service	77,900	72,588	5,312	77,480	8,830	68,650
Expense and Equipment	2,422,496	2,236,155	186,341	2,932,656	2,051,413	881,243
Total Technology Trust Fund	2,500,396	2,308,743	191,653	3,010,136	2,060,243	949,893
LOCAL RECORDS PRESERVATION FUND						
Payment of real property leases, related services, utilities, and systems furniture; and structural modifications for new FTE for rents consolidated to the Office of Administration - Expense and Equipment	497	240	257	240	240	0
Personal Service	899,969	861,879	38,090	894,247	786,735	107,512
Expense and Equipment	397,727	353,818	43,909	404,682	283,285	121,397
Local records preservation grants	316,405	316,404	1	600,000	370,788	229,212
Total Local Records Preservation Fund	1,614,598	1,532,341	82,257	1,899,169	1,441,048	458,121
LIBRARY NETWORKING FUND						
Library Network Grants	487,838	378,649	109,189	918,138	918,138	0
Total Library Networking Fund	487,838	378,649	109,189	918,138	918,138	0
STATE DOCUMENT PRESERVATION FUND						
Expense and Equipment	37,925	0	37,925	27,515	0	27,515
Personal Service	116,460	20,897	95,563	0	0	0
Total State Document Preservation Fund	154,385	20,897	133,488	27,515	0	27,515
WOLFNER STATE LIBRARY FUND						
Expense and Equipment	35,000	0	35,000	35,000	9,809	25,191
Total Wolfner State Library Fund	35,000	0	35,000	35,000	9,809	25,191
INSTITUTION GIFT TRUST FUND						
Personal Service	121,458	102,229	19,229	120,723	106,797	13,926
Expense and Equipment	163,464	109,925	53,539	163,464	70,777	92,687
Total Institution Gift Trust Fund	284,922	212,154	72,768	284,187	177,574	106,613

Exhibit C

OFFICE OF SECRETARY OF STATE
COMPARATIVE STATEMENT OF APPROPRIATIONS AND EXPENDITURES

	Year Ended June 30,					
	2002			2001		
	Appropriation	Expenditures	Lapsed Balances **	Appropriation	Expenditures	Lapsed Balances
GENERAL REVENUE FUND - STATE						
Personal Service	7,449,068	7,213,617	235,451	7,397,036	6,957,614	439,422
Expense and Equipment	3,656,781	3,134,251	522,530	4,182,945	3,951,290	231,655
Elections Public Notice	100,000	0	100,000	1,207,251	1,207,251	0
Refunds of securities, corporations, uniform commercial code and miscellaneous collections of the Secretary of State's Office	100,000	62,027	37,973	100,000	66,066	33,934
Remote Electronic Access for Libraries Program	3,325,000	2,424,847	900,153	3,325,000	3,325,000	0
Payment of real property leases, related services, utilities, and systems furniture; and structural modifications for new FTE for rents consolidated to the office of Administration - Expense and Equipment	372,048	184,057	187,991 *	184,007	76,782	107,225
Absentee Ballots	120,000	6,140	113,860	120,000	45,071	74,929
Remote Electronic Access for Libraries Program (reappropriated)	0	0	0	545,583	545,583	0
Costs related to library automation	966,191	297,325	668,866 *	336	335	1
Aid to Public Libraries	3,770,657	3,770,656	1	3,281,871	3,281,871	0
Funding the Remote Electronic Access Libraries Program	0	0	0	1,672	0	1,672
Literacy Investment for Tomorrow Program	69,450	56,949	12,501	69,450	69,450	0
Expense and Equipment Grant Match	107,754	61,424	46,330	0	0	0
Total General Revenue Fund - State	20,036,949	17,211,293	2,825,656	20,415,151	19,526,313	888,838
Total All Funds	\$ 32,210,001	24,431,202	7,778,799	33,484,348	26,556,574	6,927,774

* Biennial appropriations set up in fiscal year 2002 are re-appropriations to fiscal year 2003.

** Office officials indicated the lapsed balances included the following withholdings made at the Governor's request:

	Year Ended June 30, 2002
General Revenue Fund - State:	
Personal Service	\$ 200,000
Expense and Equipment	520,190
Elections Public Notice	100,000
Refunds	32,000
Remote Electronic Access for Libraries Program	900,152
Absentee Ballots	98,000
Literacy Investment for Tomorrow Program	12,501
Expense and Equipment Grant Match	19,396
Total	\$ 1,882,239
Library Networking Fund:	
Library Network Grants	\$ 56,269

The accompanying Notes to the Financial Statements are an integral part of this statement.

Supplementary Data

Schedule 1

OFFICE OF SECRETARY OF STATE
COMPARATIVE SCHEDULE OF EXPENDITURES (FROM APPROPRIATIONS)

	Year Ended June 30,		
	2002	2001	2000
Salaries and wages	\$ 8,673,653	8,205,279	7,460,354
Travel, in-state	189,269	156,399	164,934
Travel, out-of-state	45,668	75,185	92,054
Fuel and utilities	24,314	11,127	10,359
Supplies	1,031,431	939,732	841,721
Professional development	150,572	154,239	144,481
Communication service and supplies	438,716	315,424	271,370
Services:			
Health	0	0	75
Business	0	2,158,554	1,386,287
Professional	5,499,463	1,117,305	917,771
Housekeeping and janitorial	10,784	4,972	2,713
Maintenance and repair	854,607	0	0
Equipment maintenance and repair	0	785,897	294,167
Transportation maintenance and repair	0	2,194	3,380
Computer equipment	702,001	1,092,560	779,688
Motorized equipment	0	17,801	39,256
Office equipment	13,644	305,026	62,793
Other equipment	44,275	272,420	21,569
Property and improvements	223,235	132,071	151,850
Building lease payments	210,027	88,669	69,020
Equipment rental and leases	33,756	26,519	27,293
Miscellaneous expenses	52,169	35,135	163,196
Refunds	62,027	66,066	2,689,631
Program distributions	6,171,591	10,594,000	10,254,901
Total Expenditures	\$ <u>24,431,202</u>	<u>26,556,574</u>	<u>25,848,863</u>

Note: Certain classifications of expenditures changed during the three-year period, which may affect the comparability of the amounts.

The accompanying Note to the Supplementary Data is an integral part of this statement.

Schedule 2

OFFICE OF SECRETARY OF STATE
STATEMENT OF CHANGES IN GENERAL FIXED ASSETS

	Furniture and Equipment	Motor Vehicles	Total General Fixed Assets
Balance, June 30, 2000	\$ 3,826,870	185,526	4,012,396
Additions	1,544,362	16,805	1,561,167
Dispositions	1,181,051	0	1,181,051
Balance, June 30, 2001	4,190,181	202,331	4,392,512
Additions	737,574	0	737,574
Dispositions	53,155	0	53,155
Balance, June 30, 2002	\$ 4,874,600	202,331	5,076,931

Fund of Acquisition	Balance June 30, 2002
General Revenue Fund-State	\$ 3,661,452
General Revenue Fund-Federal	40,140
Technology Trust Fund	1,192,068
Local Records Preservation Fund	127,866
Library Networking Fund	2,080
Wolfner State Library Fund	25,661
Institution Gift Trust Fund	27,664
Total All Funds	\$ 5,076,931

The accompanying Note to the Supplementary Data is an integral part of this statement.

Notes to the Financial Statements and Supplementary Data

OFFICE OF SECRETARY OF STATE
NOTES TO THE FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Notes to the Financial Statements:

1. Summary of Significant Accounting Policies

A. Reporting Entity and Basis of Presentation

The accompanying special-purpose financial statements present only selected data for each fund of the Office of Secretary of State.

Receipts, disbursements, and changes in cash and investments are presented in Exhibit A for the Records Fund-Federal, National Endowment for the Humanities Save America's Treasures Grant Fund, General Revenue Fund-Federal, Technology Trust Fund, Local Records Preservation Fund, Library Networking Fund, Investor Education Fund, State Document Preservation Fund, Wolfner State Library Fund, and the Institution Gift Trust Fund. Appropriations from these funds are expended by or for the office for restricted purposes.

The "Total (Memorandum Only)" column is presented as additional analytical data. Because this column does not identify the restrictions that exist by fund, it should be read only with reference to the details of each fund.

Receipts are presented in Exhibit B for the General Revenue Fund-State. Receipts include monies the office collects during its normal activities and remits to the fund. These amounts are not necessarily related to appropriations.

Appropriations, presented in Exhibit C, are not separate accounting entities. They do not record the assets, liabilities, and equities of the related funds but are used only to account for and control the office's expenditures from amounts appropriated by the General Assembly.

Expenditures presented for each appropriation may not reflect the total cost of the related activity. Other direct and indirect costs provided by the office and other state agencies are not allocated to the applicable fund or program.

B. Basis of Accounting

The Statements of Receipts, Disbursements, and Changes in Cash and Investments, Exhibit A, prepared on the cash basis of accounting, presents amounts when they are received or disbursed.

The Statement of Receipts, Exhibit B, also prepared on the cash basis of accounting, presents amounts when received.

The Statement of Appropriations and Expenditures, Exhibit C, is presented on the state's legal budgetary basis of accounting. For years ended on or after June 30, 2001, expenditures generally consist of amounts paid by June 30, with no provision for lapse period expenditures unless the Office of Administration approves an exception. Amounts encumbered at June 30 must be either canceled or paid from the next year's appropriations.

However, the General Assembly may authorize continuous biennial appropriations, for which the unexpended balances at June 30 of the first year of the two-year period are reappropriated for expenditure during the second year. Therefore, such appropriations have no lapsed balances at the end of the first year.

The cash basis of accounting and the budgetary basis of accounting differ from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned and expenditures or expenses to be recognized when the related liabilities are incurred.

C. Fiscal Authority and Responsibility

The office administers transactions in the funds listed below. The state treasurer as fund custodian and the Office of Administration provide administrative control over fund resources within the authority prescribed by the General Assembly.

Records Fund-Federal: The office administers several programs financed wholly or partially by federal monies maintained in the state treasury in the Office of Secretary of State's Records Federal Account. These federal funds may be received in advance, when related expenditures are made, or after they are made. Appropriations from this fund authorize the disbursements of the office's federal funds. This fund was established by the Office of Administration during fiscal year 2001 and is used to handle federal funds administered by State Archives for document preservation grants to other entities.

National Endowment for the Humanities Save America's Treasures Grant Fund: The office administers a program financed wholly or partially by federal monies maintained in the state treasury in the Office of Secretary of State's National Endowment for the Humanities Save America's Treasures Federal Account. These federal funds may be received in advance, when related expenditures are made, or after they are made. Appropriations from this fund authorize the disbursements of the office's federal funds. This fund was established by the Office of Administration during fiscal year 2002 and is used to handle federal funds administered by State Archives for the preservation of the St. Louis Circuit Clerk's court documents.

General Revenue Fund-Federal: The office administers several programs financed wholly or partially by federal monies maintained in the state treasury in the Office of

Secretary of State's Federal Account. These federal monies may be received in advance, when related expenditures are made, or after they are made. Appropriations from this fund authorize disbursement of the office's federal monies.

Technology Trust Fund: This fund was established by Section 28.160, RSMo, to receive fees for certain services provided by the Secretary of State's Office. Expenditures are authorized by appropriation for the purposes of establishing, procuring, developing, modernizing and maintaining an electronic data processing system and programs for a centralized data base of all registered voters; library services; and services, equipment, and functions related to administrative rules, securities, corporations and business organizations, archives, Uniform Commercial Code and record services. The authority to collect certain fees expires December 31, 2009. At the end of an biennium, any amount in the fund in excess of \$5 million shall be transferred to the General Revenue Fund-State.

Local Records Preservation Fund: This fund was established by Section 59.319, RSMo, to receive user fees from document recordings in each county. Expenditures are authorized by appropriation for preservation of local records by the Secretary of State. Balances remaining in the fund are perpetually maintained for the purpose of the fund.

Library Networking Fund: This fund was established by Section 182.812, RSMo, to consist of any gifts, contributions, grants or bequests received from federal, private or other sources. Expenditures are authorized by appropriation for library networks. Balances remaining in the fund are perpetually maintained for the purpose of the fund.

Investor Education Fund: This fund was established by Section 409.407, RSMo, to receive collections from enforcement actions of the Secretary of State Securities Division. Expenditures are authorized by appropriation for investor education programs. Balances remaining in the fund are perpetually maintained for the purpose of the fund.

State Document Preservation Fund: This fund was established by Section 109.005, RSMo, to receive monies from gifts, bequests, or contributions for the specific purpose of preserving legal, historical and genealogical materials and making them available to the public. Expenditures are authorized by appropriation for state document preservation. Balances remaining in the fund are perpetually maintained for the purpose of the fund.

Wolfner State Library Fund: This fund was established by Section 181.150, RSMo, to account for donations restricted to improving library services to the blind and physically handicapped. In addition to donations, revenues consist of earning from fund investments. A portion of the Wolfner State Library Fund is invested with and managed by the Missouri Investment Trust.

Institution Gift Trust Fund: This fund was established by Section 33.563, RSMo, to receive collections from enforcement actions of the Secretary of State Securities Division. Expenditures are authorized by appropriation for investor education programs. Balances remaining in the fund are perpetually maintained for the purpose of the fund.

General Revenue Fund-State: The office receives appropriations from this fund and does not maintain a proprietary interest in the fund. Appropriations from the fund are used for the basic operation of the office, including those programs and services that have no other funding source. These appropriations also may be used to initially fund, or to provide matching funds or support for, programs paid wholly or partially from other sources.

D. Employee Fringe Benefits

In addition to the social security system, employees are covered by the Missouri State Employees' Retirement System (MOSERS) (a noncontributory plan) and may participate in the state's health care, optional life insurance, cafeteria, and deferred compensation and deferred compensation incentive plans. The optional life insurance and cafeteria plans involve only employee contributions or payroll reductions. The deferred compensation plan involves employee payroll deferrals and the deferred compensation incentive plan a monthly state contribution for each employee who participates in the deferred compensation plan and has been employed by the state for at least one year.

The state's required contributions for employee fringe benefits are paid from the same funds as the related payrolls. Those contributions are for MOSERS (retirement, basic life insurance, and long-term disability benefits); social security and medicare taxes; health care premiums; and the deferred compensation incentive amount.

Employee fringe benefits in the financial statements at Exhibits A are the transfers from the General Revenue Fund-Federal, Technology Trust Fund, Local Records Preservation Fund, State Document Preservation Fund, and Institution Gift Trust Fund for costs related to salaries paid from those funds. Transfers related to salaries are not appropriated by agency and thus are not presented in the financial statements at Exhibit C.

2. Cash and Investments

The balances of the Records Fund-Federal, National Endowment for the Humanities Save America's Treasures Grant Fund, General Revenue Fund-Federal, Technology Trust Fund, Local Records Preservation Fund, Library Networking Fund, Investor Education Fund, State Document Preservation Fund, Wolfner State Library Fund, and Institution Gift Trust Fund are pooled with other state funds and invested by the state treasurer. In addition, \$728,000 from the Wolfner State Library Fund is invested with the Missouri Investment Trust.

3. Reconciliation of Total Disbursements to Appropriated Expenditures

Disbursements on Exhibit A reconcile to appropriated expenditures on Exhibit C as follows:

General Revenue Fund-Federal

		<u>Year Ended June 30.</u>	
		<u>2002</u>	<u>2001</u>
DISBURSEMENTS PER EXHIBIT A	\$	2,686,114	2,788,414
Employee fringe benefits		(137,916)	(116,673)
Lapse period expenditures:			
2000		0	(243,482)
Accounts payable:			
June 30, 2000		0	(4,810)
EXPENDITURES PER EXHIBIT C	\$	<u>2,548,198</u>	<u>2,423,449</u>

Technology Trust Fund

		<u>Year Ended June 30.</u>	
		<u>2002</u>	<u>2001</u>
DISBURSEMENTS PER EXHIBIT A	\$	2,331,780	2,171,901
Employee fringe benefits		(23,037)	(2,426)
Lapse period expenditures:			
2000		0	(92,431)
Accounts payable:			
June 30, 2000		0	(16,801)
EXPENDITURES PER EXHIBIT C	\$	<u>2,308,743</u>	<u>2,060,243</u>

Local Records Preservation Fund

		<u>Year Ended June 30.</u>	
		<u>2002</u>	<u>2001</u>
DISBURSEMENTS PER EXHIBIT A	\$	1,826,329	1,746,823
Employee fringe benefits		(293,988)	(250,029)
Lapse period expenditures:			
2000		0	(36,686)
Accounts payable:			
June 30, 2000		0	(19,060)
EXPENDITURES PER EXHIBIT C	\$	<u>1,532,341</u>	<u>1,441,048</u>

Library Networking Fund

		Year Ended
		<u>June 30,</u>
		<u>2001</u>
DISBURSEMENTS PER EXHIBIT A	\$	933,275
Lapse period expenditures:		
2000		<u>(15,137)</u>
EXPENDITURES PER EXHIBIT C	\$	<u><u>918,138</u></u>

State Document Preservation Fund

		Year Ended
		<u>June 30,</u>
		<u>2002</u>
DISBURSEMENTS PER EXHIBIT A	\$	27,699
Employee fringe benefits		<u>(6,802)</u>
EXPENDITURES PER EXHIBIT C	\$	<u><u>20,897</u></u>

Wolfner State Library Fund

		Year Ended
		<u>June 30,</u>
		<u>2001</u>
DISBURSEMENTS PER EXHIBIT A	\$	15,030
Trust services charges withheld		
from investment earnings		<u>(5,221)</u>
EXPENDITURES PER EXHIBIT C	\$	<u><u>9,809</u></u>

Institution Gift Trust Fund

		<u>Year Ended June 30,</u>	
		<u>2002</u>	<u>2001</u>
DISBURSEMENTS PER EXHIBIT A	\$	249,129	233,127
Employee fringe benefits		(36,975)	(36,749)
Lapse period expenditures:			
2000		0	(14,179)
Accounts payable:			
June 30, 2000		<u>0</u>	<u>(4,625)</u>
EXPENDITURES PER EXHIBIT C	\$	<u><u>212,154</u></u>	<u><u>177,574</u></u>

4. Wolfner State Library Fund Transfer

The fiscal year 2001 operating transfer out includes \$728,000 invested with the Missouri Investment Trust. The Missouri Investment Trust was established by Section 30.953, RSMo 2000, to receive, hold, manage, invest and ultimately reconvey funds transferred to the investment trust pursuant to the terms of a trust agreement. According to the trust agreement between the Office of Secretary of State and the Missouri Investment Trust, the funds transferred along with any interest, income or other earning will be transferred to the Wolfner State Library Fund from the Missouri Investment Trust in January 2010.

5. Operating Transfers Out

The operating transfer out amounts include the applicable funds' proportional share of fiscal year 1999 refunds paid in fiscal year 2001 required by Article X, Section 18 of the Missouri Constitution. These refunds were:

Fund	Year Ended
	<u>June 30,</u> 2001
Technology Trust Fund	\$ 30,088
Local Records Preservation Fund	23,275
Investor Education Fund	1,404
State Document Preservation Fund	167
Wolfner State Library Fund	615
Institution Gift Trust Fund	632

Note to the Supplementary Data:

6. General Fixed Assets

During fiscal year 2002, the Office of Secretary of State converted its fixed asset records to the Statewide Advantage for Missouri (SAM II) System. General fixed assets, which are recorded as expenditures when acquired, are capitalized at cost in the General Fixed Assets Account Group. Accumulated depreciation is recorded by reducing the investment in the General Fixed Assets Account Group. The office's general fixed assets consist of the following:

Furniture and Equipment: This category consists of all office-owned furniture and equipment items, including computer equipment. Equipment is recorded at original cost except for situations in which used equipment is traded in on the purchase of new equipment. In those situations, the recorded cost of the new equipment is the original cost less the trade-in book value. These items are depreciated on a straight-line basis over their estimated useful lives. Accumulated depreciation on furniture and equipment totaled approximately \$2.8 million at June 30, 2002.

Motor Vehicles: This category consists of all office-owned vehicles. Vehicles are recorded at original cost, less trade-in allowance when applicable, and are depreciated on a straight-line basis over a five year useful life. Accumulated depreciation on vehicles totaled approximately \$134,000 at June 30, 2002.

MANAGEMENT ADVISORY REPORT SECTION

Management Advisory Report -
State Auditor's Findings

OFFICE OF SECRETARY OF STATE
MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S FINDINGS

We have audited the special-purpose financial statements of the Office of Secretary of State as of and for the years ended June 30, 2002 and 2001, and have issued our report thereon dated September 6, 2002.

The following Management Advisory Report presents our findings arising from our audit of the office's special-purpose financial statements.

1.	Federal Grant Management
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The Office of Secretary of State does not adequately monitor expenditures made by subrecipients of the Institute of Museum and Library Services (IMLS) grants. In addition, the Office of Secretary of State did not always prepare and submit reports in compliance with grant requirements.

The State Library (library) expended approximately \$5.5 million from the IMLS grants during the two years ended June 30, 2002. The grants include provisions for statewide projects handled by the library and for funding to subrecipients for the improvement of their library services and operations. In addition, the Archives Division awarded subrecipients approximately \$145,000 for the preservation of their historical records and expended approximately \$73,000 for the restoration of documents at the city of St. Louis Circuit Court.

Our review of the office's management of these federal grants noted the following concerns:

- A. Since the library does not routinely require subrecipients to provide expenditure documentation, the library rarely reviews and evaluates expenditure documentation from subrecipients.

The grant agreements between the library and subrecipients provide that expenditure documentation be retained for at least 5 years (from the termination date of the grant period) and be provided to the library upon request. However, library personnel stated that they seldom request and review expenditure documentation.

As a result, the library has little assurance that federal monies are spent in accordance with federal requirements. In addition, Office of Management and Budget (OMB) Circular A-133 requires the grant recipient to monitor the subrecipient's activities to provide reasonable assurance that the subrecipient administers the federal awards in compliance with the federal requirements.

- B. The Office of Secretary of State did not always prepare and submit reports in compliance with grant requirements.
1. During the year ended June 30, 2002, the Archives Division only submitted one of four required reports for the grant related to the restoration of documents at the city of St. Louis Circuit Court. In addition, the one report submitted was not prepared until the division received a past due notice from the federal agency. According to division personnel, the other three reports were not filed because the grant funds were received late and there was no activity to report on. However, division personnel later concluded that at least the interim performance report should have been submitted, regardless whether or not funds had been received.
 2. The library has not submitted quarterly federal cash transaction reports since July 2001 for the IMLS grants. The grants require federal cash transaction reports be submitted within 30 days after each quarter. According to fiscal office personnel, these quarterly reports were prepared by a former accountant who retired, and no one was aware that these reports were required. The IMLS is requiring the Office of Secretary of State to prepare and submit the missing quarterly reports.

The failure to adequately monitor subrecipients' expenditures and to prepare and submit required reports could result in the withholding of grant funds, the suspension or termination of the grant, the repayment of grant funds, and/or the denial of future grant applications.

WE RECOMMEND the Office of Secretary of State:

- A. Develop policies and procedures to adequately monitor subrecipients' expenditures of IMLS grant monies to ensure the monies are spent in accordance with federal requirements.
- B. Ensure all required reports are prepared and submitted in accordance with grant requirements.

AUDITEE'S RESPONSE

- A. *We agree.*

Status: Completion by July 1, 2003

The State Library from its federal management documents will bring together those specifically pertaining to post-award grant management, combine those with our current internal grant management procedures, and develop a handbook of policies and procedures. Staff currently refer to these documents separately, but they are not

compiled in one handbook. The handbook will include appropriate references from Code of Federal Regulations 1180-1185, and OMB Circular A-133. The handbook will also describe procedures for onsite monitoring visits to grantees.

B. *We agree.*

Status: Implemented

In the transition of duties due to a retirement, this task was not passed along. All required federal cash transaction reports have been filed with IMLS, and all grant federal cash transaction report due dates are now scheduled on Fiscal Office Outlook calendars to assure that due dates are not missed.

All National Endowment for the Humanities financial grant reports and the interim performance report were completed during the audit. The financial reports have also been placed on Fiscal Office calendars to insure timely completion. Performance reports will be prepared as required in the grant by the Project Director.

2. Corporation Fees

The Corporations Section has not established adequate procedures to ensure the number of filings processed each day are properly reported and accounted for and that fees are remitted to the proper fund.

The fees charged by the Corporations Section are defined by state statute. The majority of the fees collected are remitted to the General Revenue Fund-State. However, five (\$5) dollars for each filing is remitted to the office's Technology Trust Fund. The amount of funds remitted to the Technology Trust Fund is contingent on the total filings being accurate.

However, neither the total number of filings documented on the individual transmittal sheets nor the aggregate number of filings are independently verified. Each division employee, who receives and processes fees, prepares a daily transmittal sheet which documents the type of fees received/processed and the total number of filings for their area. There are approximately thirty-five different areas, such as new corporations, amendments, mergers/rescissions, and fictitious names, for which transmittal sheets are prepared.

During our review of transmittal sheets submitted on 40 different days, we noted 11 (28 percent) days where the aggregate filings and/or transmittal sheets were not correct due to addition errors. For example, the total filings for one day was short 49 filings, while the total filings for another day included 30 extra filings. Overall, the division failed to account for a total of 88 filings. As a result, the Technology Trust Fund was underpaid \$440.

To help ensure that fees received are remitted to the proper fund, the Corporations Section should establish procedures to independently verify the number of daily filings processed and reported on the transmittal sheets and the aggregate total for the day.

WE RECOMMEND the Office of Secretary of State establish procedures which provide for an independent verification of the number of filings processed by the Corporations Section and which ensure fees received are remitted to the proper fund.

AUDITEE'S RESPONSE

We agree.

Status: Implemented

During the audit process and meeting with the auditors regarding their concerns for the accuracy in the technology fund transfers, the Corporations area implemented a process to double check transmittals and ensure the technology fees are accounted for and remitted to the proper fund accordingly.

Once the individual transmittal reports are completed and turned in, each is individually checked for accuracy by the account clerk.

The account clerk added to her daily spreadsheet a column to track and indicate the technology fund transactions per desk based on the individual transmittal reports. Once the number of transactions that would include a technology fee per desk is entered on the spreadsheet, they are double checked against the individual transmittal reports to verify for accuracy.

A spreadsheet is completed for each workday to track cash receipts including the number of technology fee transactions. The number of technology fee transactions are multiplied by five dollars to indicate to the fiscal department how much of the total deposit from the daily corporation deposit is to be transferred into the technology trust fund.

Based on the fee intake per type of transaction it is easily detected at a glance on the spreadsheet if the number indicated in the technology transaction fee column is inadequate or excessive.

3. Internal Control Plan and Control Weaknesses
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The Office of Secretary of State did not prepare and submit an internal control plan to the Office of Administration (OA), as required, and the failure to complete an internal control plan contributed to control weaknesses in various divisions.

- A. The Office of Secretary of State did not prepare and submit an internal control plan to the OA by July 2001. Following the implementation of the Statewide Advantage for Missouri (SAM II) system, state agencies were requested to submit

an internal control plan to the OA. The instructions for the preparation of an agency internal control plan were distributed to state agencies in April 1999. Originally, internal control plans were to be submitted to the OA by October 1999. However, due to complications and increased workload associated with the implementation of the SAM II system, the Office of Secretary of State was granted an extension to July 2001.

According to management personnel, the internal control plan is currently in the preliminary draft stage. They indicated that the final plan cannot be developed until written internal control procedures have been established for the various divisions within the office; however, these written procedures are still in the process of being established. The Office of Secretary of State should prepare and submit its internal control plan to the OA, as soon as possible.

B. The failure to complete an internal control plan contributed to control weaknesses in various divisions. We noted the following:

- There is a lack of segregation of duties in the majority of divisions. The duties of record keeping and custody of receipts are not always adequately segregated, and independent documented supervisory reviews are not always performed.
- One division does not deposit receipts on a timely basis. This division deposits receipts approximately once a month. From July to December 2001, the average monthly deposit totaled approximately \$4,400.
- Monthly reconciliations between revenue transmittals and SAM II reports are usually not prepared and/or properly documented in the majority of divisions.

To protect against possible loss, theft, or misuse of funds, internal controls should provide reasonable assurance through segregation of duties that all transactions are accounted for properly. If adequate segregation of duties cannot be achieved, there should be periodic independent supervisory reviews of records and reconciliations. Also, monies should be deposited intact daily or when accumulated receipts exceed \$100. In addition, to ensure all receipts are properly accounted for and recorded, procedures should be established for documented monthly reconciliations of receipts to SAM II reports.

WE RECOMMEND the Office of Secretary of State develop written internal control procedures for the various divisions. These procedures should ensure the duties of receiving, recording, depositing, and reconciling are adequately segregated; receipts are deposited on a daily basis or when accumulated receipts exceed \$100; and monthly reconciliations of receipts to SAM II reports are prepared and/or documented. In addition, the Office of Secretary of State should prepare and submit its internal control plan to the OA, as soon as possible.

AUDITEE'S RESPONSE

A. *We agree.*

Status: In Progress

The Office of the Secretary of State (SOS) has requested and received permission from the Office of Administration's SAM II Administrator to use the state contract for services with American Management Systems (AMS) to hire a consultant to assist with the documentation and development of an SOS Internal Control Plan and the documentation of SOS Financial Policies and Procedures.

The Internal Control Plan is in development and the use of a consultant to assist in the process should speed its completion and assure submission of the SOS Internal Control Plan to the Office of Administration prior to Fiscal Year end, unless the consulting firm has no staff available within this timeframe.

B. *We agree.*

Status: Implemented

The Internal Control procedures will be documented (in writing) during the compilation of the Internal Control Plan, with the assistance of the consulting firm, AMS.

Independent supervisory reviews are being performed where segregation of duties is not possible. Where possible, additional segregation of duties was implemented.

Deposits are being made on a timely basis in the division in which a problem was noted. The employee who took over the position responsible for deposits is making timely deposits.

Monthly reconciliations between the revenue transmittals and SAM II reports are being prepared and supervisory review has been implemented where lack of segregation of duties warrants.

This report is intended for the information and use of the management of the Office of Secretary of State and other applicable government officials. However, pursuant to Section 29.270, RSMo 2000, this report is a matter of public record and its distribution is not limited.

Follow-Up on Prior Audit Findings

OFFICE OF SECRETARY OF STATE
FOLLOW-UP ON PRIOR AUDIT FINDINGS

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by the Office of Secretary of State on findings in the Management Advisory Report (MAR) of our prior audit report issued for the period July 1, 2000 to January 8, 2001 and the two years ended June 30, 2000.

1. Franchise Tax Delinquencies

The Office of Secretary of State did not administratively dissolve corporations for failure to pay franchise taxes for filing dates after January 1, 2000. The Office of Secretary of State and the Department of Revenue (DOR) had not agreed on policies and procedures regarding how notifications would be sent (e.g. electronic transfer of information), or how often notifications would be sent.

Recommendation:

The Office of Secretary of State establish policies and procedures with the DOR regarding the notification process for corporations that fail or refuse to pay franchise tax, and resume administratively dissolving corporations as appropriate.

Status:

Partially implemented. Although the Office of Secretary of State and the DOR have not established written policies and procedures regarding the notification process, the DOR sent notification of delinquent corporations to the Office of Secretary of State for fiscal year 2000. According to DOR personnel, notifications will be sent to the Office of Secretary of State following the August 15th extension deadline for future years.

2. Fixed Asset Records and Procedures

Fixed asset records and procedures were not adequate, and did not provide sufficient information to allow the fixed asset balances and transactions to be audited. The fixed asset records were not maintained in accordance with the Code of State Regulations (CSR).

Recommendation:

The Office of Secretary of State establish adequate general fixed asset records and procedures that comply with the CSR requirements and provide adequate controls and accountability.

Status:

Implemented.

STATISTICAL SECTION

History, Organization, and
Statistical Information

OFFICE OF SECRETARY OF STATE HISTORY, ORGANIZATION, AND STATISTICAL INFORMATION

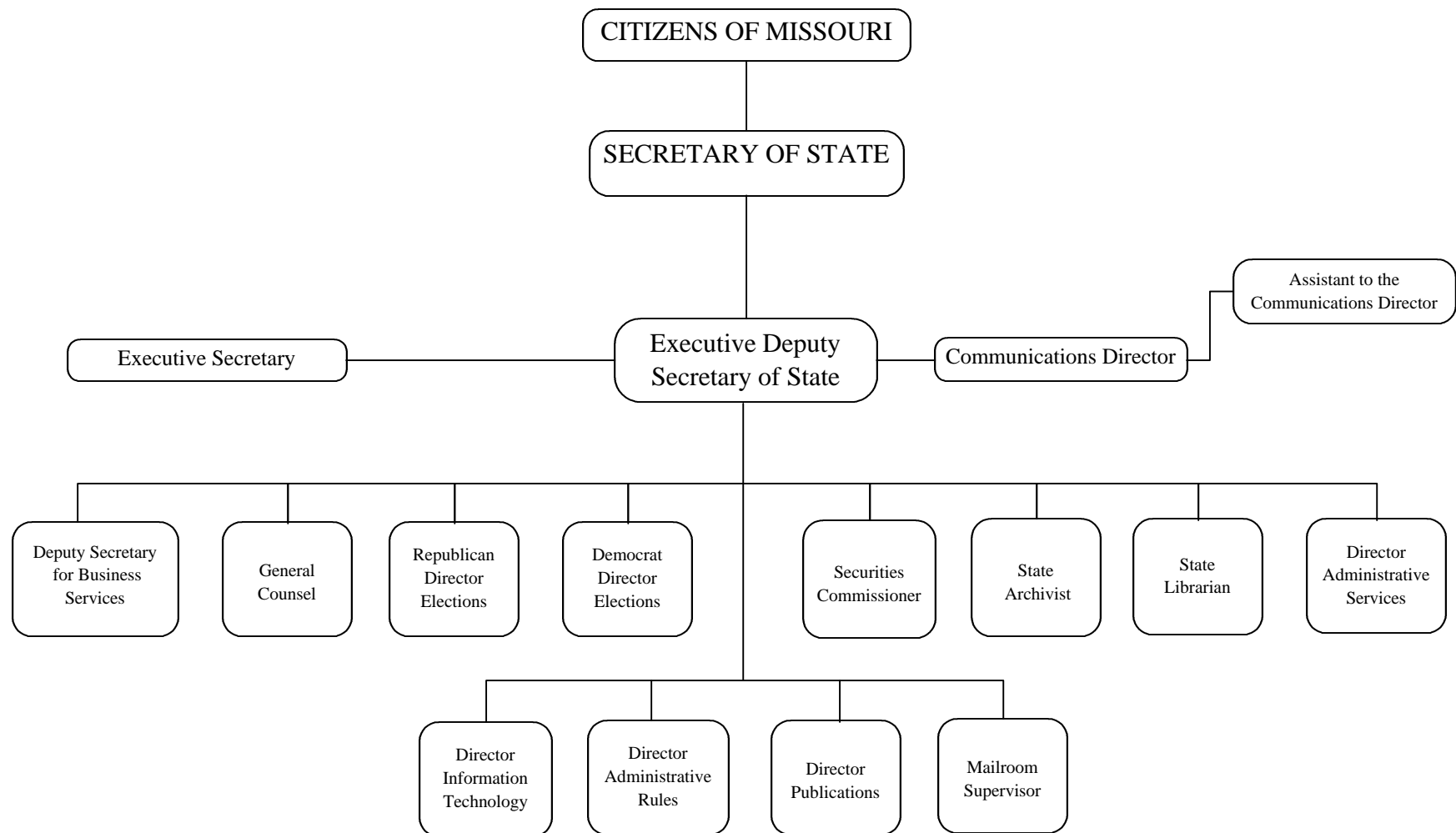
The Office of Secretary of State is an elective office as provided in the Missouri Constitution. Article IV, Section 14, established the duties of the Secretary of State: 1) to be custodian of the state seal, 2) to keep a register of the official acts of the governor, 3) to be custodian of records and documents, and 4) to perform such duties in relation to elections and corporations as provided by law.

To accommodate the responsibilities of record keeping, registration, and administration, the Secretary of State's office is currently divided into eight divisions – Executive Services, Elections, Securities, Business Services, Record Services, Legal Services, Administrative Services and Library Services. Some divisions are composed of separate sections which perform specific functions.

Matt Blunt was elected as the state's thirty-seventh Secretary of State on November 7, 2000. Mr. Blunt's term expires in January 2005.

As of June 30, 2002, the Office of Secretary of State employed approximately 275 full-time and 26 part-time employees. An organization chart follows:

OFFICE OF SECRETARY OF STATE
ORGANIZATION CHART
JUNE 30, 2002



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